

# Budget Unit Brief

## FY 2017



## Homestead Property Tax Credit

### Description

The Homestead Property Tax Credit was enacted in 1937 to provide property tax relief and to encourage home ownership. The current credit is equal to the actual levy on the first \$4,850 of actual value of each homestead, with a minimum annual tax credit of \$62.50. To be eligible for the yearly credit, the taxpayer must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes, and occupy the property for at least six months each calendar year. Persons in military service or residing in nursing homes that would otherwise qualify are also eligible for the credit. A claim for the Homestead Property Tax Credit must be filed by July 1 in the initial assessment year for which the credit is claimed. Once filed, and as long as the taxpayer remains eligible, the landowner will receive the credit in successive years without further filing.

### Funding

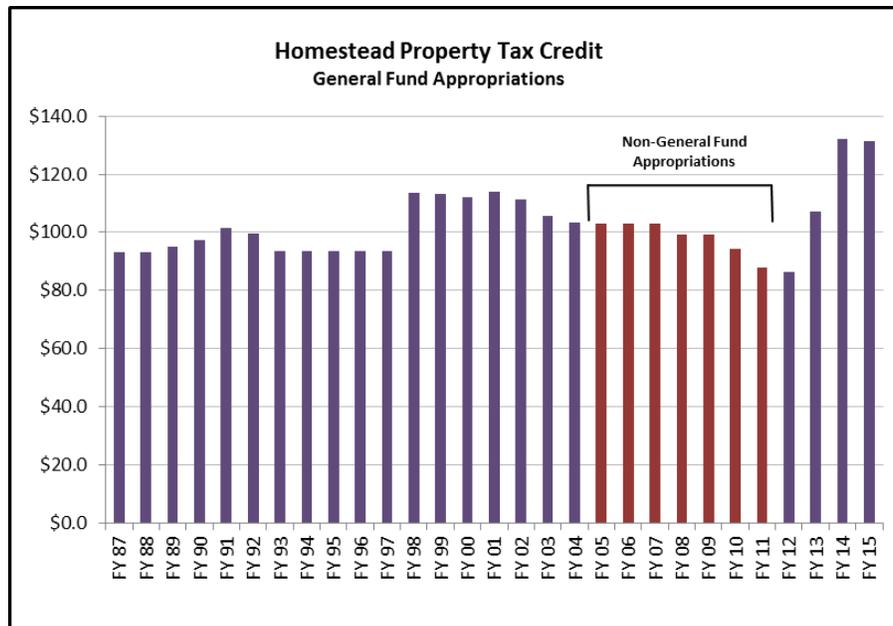
The Homestead Credit Fund is funded with a standing unlimited General Fund appropriation established in Iowa Code section [425.1](#). The annual appropriations for the property tax credit have ranged from \$93.0 million to \$132.0 million. From FY 2005 to FY 2011, the program was funded with non-General Fund sources.

### Related Statutes

Iowa Code chapter [425](#)

[701](#) Iowa Administrative Code chapter [80](#)

Revised August 23, 2016



### More Information

Property Tax Credits, Department of Revenue: <http://www.iowa.gov/tax/taxlaw/PropertyTaxCredits.html>

Iowa General Assembly: <https://www.legis.iowa.gov/>

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